

I am Michael Scronic. I am truly sorry for the hurt I've caused my investors and my most loved ones. I lied to my closest friends and even my mother. My best friend for over 40 years and my son's godfather was my last victim, he gave me money 4 days before my arrest. I lied to Ashley, the love of my life, every single day, too weak to tell her that I had traded away our savings.

These lies broke the trust of every single person directly, and hundreds of long-term friends and family indirectly. This causes me pain and is a burden that I will carry for the remainder of my life.

I could have avoided this whole disaster if I hadn't been so full of pride and looked inwards 13 years ago. In 2005, I suffered severe depression after a large trading loss at Morgan Stanley. Ashley quit her job to take care of me. I took strong medication to get me through that period, but did zero therapy and zero self-analysis. I've realized that my inability to admit that I was imperfect and needed therapy, a symptom in itself, set the table for the disaster to follow.

I dismissed the whole depressive episode as a trader rite of passage, rather than any inherent problem within. I was too proud to admit that therapy would have benefited me; too stubborn, confident and narcissistic, to seek help and find the causes of my depression. I didn't properly conquer my depression and enabled the depression to linger and plant the seeds for a horrific gambling addiction that began strangling me years before I committed this crime.

By late 2007, my trading was completely out of control, with all of our savings in my trading account, whipping around each week with million dollar swings. I craved the action, until in one week in 2008, I lost all of our money - \$3 million in one week. I was too weak and entrapped with my addiction to seek help and instead convinced Ashley that we needed to sell our apartment for more trading capital. For 18 months, I sat around the apartment waiting for it to sell, my only activity was to convert my IRA to a margin account and then trade away that money in a few weeks. With the apartment sold, I agreed that I would use only \$200,000 as trading capital, and even proactively decided to keep the remaining savings in accounts controlled by Ashley but that money was not safe enough. I lost that \$200,000 in a few weeks and then proceeded to lose the rest.

Before the fund even started, the fund had no chance. As my trading hole grew, so did my risk taking. I did the same 4-6 trades every single week for 6 years, all the

riskiest the market offered, short-term options, essentially lottery tickets. I always lost. This reality, that the trading capital only lasted a few days or hours never fully registered with me.

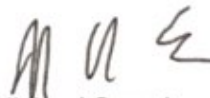
Now, between Gamblers Anonymous, Refugee Recovery, Alcoholics Anonymous, my sponsors in each, my addiction therapist and Church I have a planned therapeutic activity every single day in my battle.

Tutoring and teaching are job pursuits that benefit society and will be my future and are an important part of my life now. I have been accepted as a New York City Teaching Fellow to teach high school math in a high need area. I have deferred enrollment and will take the correct steps, to ensure that path.

I have read the victims' letters dozens of times over. They are absolutely heart-breaking but essential for me to read as part of my process of recovery. I need to know every detail of the suffering I caused everyone, as the first step in trying to end their suffering. They are very confused, hurt and angry. I just want to say I am so so sorry to them.

My son is not destined to be an addict. He needs to continue to see my daily recovery and continued devotion to therapy. I vow to return to the person I was and make amends to society immediately. I am very, very proud of the strides I've made in these 11 months since my arrest. I will continue to do everything I can to make sure I continue on the correct path, for myself, for my son, for Ashley and for all of my victims.

With appreciation,

A handwritten signature in black ink, appearing to read 'Michael Scronic', with a stylized flourish at the end.

Michael Scronic